

October 23, 2019

The President
The White House
Washington, DC 20500

Dear Mr. President:

The undersigned organizations write regarding the pressing need for your administration to provide leadership to reform the World Trade Organization (WTO) Appellate Body. Uncertainty around its future is undermining the rules-based global trading system, which threatens the many U.S. jobs that depend on the global economy.

The WTO dispute settlement system has provided a forum for resolving trade differences over the past quarter century. It has adjudicated hundreds of cases between member countries, including more than 120 brought by the United States against trade-distorting measures of other nations. Although not perfect, the dispute settlement system has led to meaningful reductions in unfair practices and has helped to strengthen the rules-based international trading system. Since the United States is the world's largest trading nation and the second-largest exporter, it has been one of the major beneficiaries of the WTO process.

Your administration has identified several issues with respect to the Appellate Body's procedures, and also the reasoning it has used to reach some of its decisions. Other nations have expressed a willingness to discuss these concerns; some have offered specific proposals. However, your administration to date has not presented a proposal that could serve as a basis for negotiating improvements to the functioning of the Appellate Body.

We strongly urge you to state publicly that the goal of the United States is not to kill the Appellate Body, but rather to reform it. We further urge you to develop a reform proposal as quickly as possible and present it to WTO members, while indicating that adoption of such measures would lead to restarting the Appellate Body appointment process. This approach would maximize leverage for reform. That leverage is likely to decrease significantly if the Appellate Body stops functioning; some countries already have agreed to use arbitration procedures in lieu of formal appeals. The Appellate Body will go dormant in December unless new members are approved promptly.

By acting expeditiously, the United States could lead a process of constructive change. Doing so would help to strengthen worldwide business confidence. This would serve the best interests of the many American companies and workers that earn all or part of their livelihoods from international trade.

Sincerely,

Americans for Prosperity
Dan Pearson, Trade Policy Fellow

The LIBRE Initiative
Daniel Garza, President

American Legislative Exchange Council

Lisa B. Nelson, CEO

Center for Freedom and Prosperity

Andrew F. Quinlan, President

Competitive Enterprise Institute

Iain Murray, Vice President

Precision Metalforming Association

David Klotz, President

CC: USTR Robert Lighthizer

ALEC Action

Michael Bowman, President

**Coalition of American Metal
Manufacturers and Users**

Paul Nathanson, Executive Director

National Taxpayers Union

Pete Sepp, President

R Street Institute

Clark Packard, Trade Policy Counsel